

Minority Media and Telecommunications Council

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March 15, 2013

Marlene Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

RE: Notice of *Ex Parte* Communication, MB Docket No. 09-182 (2010 Quadrennial Review), MB Docket No. 07-294 (Diversity Proceeding), Docket No. 12-268 (Incentive Auctions), Docket No. 12-353 (PSTN Transition)

Dear Ms. Dortch:

This reports on a meeting held March 13, 2013 with Elizabeth Andrion, Acting Chief Counsel and Senior Legal Advisor to Chairman Julius Genachowski. MMTC was represented by David Honig, President, Maurita Coley, Chief Operating Officer, and Julia L. Johnson, Chair, Board of Directors.

In the meeting, we presented the following points:

1. Several of the 47 minority media ownership proposals presented by the Diversity and Competition Supporters (DCS) in the 2010 Quadrennial Review proceeding would immediately advance small and diverse ownership and participation in broadcasting.¹ Most notably, the proposal to migrate AM service to VHF Channels 5 and 6 would have an immediate impact on radio industry diversity.² The Commission should promote minority ownership in all rulemaking proceedings, similar to the approach taken by former Chairman William E. Kennard.³ MMTC will provide further guidance to the Commission on pending DCS proposals that are not contingent on an Eligible Entities definition, but could be effectively implemented even under a small business definition.

¹ See Supplemental Comments of the Diversity and Competition Supporters, MB Docket 09-182, MB Docket 07-294 (April 3, 2012), available at <http://mmtconline.org/wp-content/uploads/2012/04/Supplemental-Media-Ownership-Comments-040312.pdf> (last visited March 15, 2013).

² *Id.* at 11-12.

³ *Id.* at 13.

2. MMTC has begun a study to determine whether relaxation of the newspaper/broadcast cross-ownership rules would adversely impact minority ownership in broadcasting. The FCC should also begin conducting the Adarand studies necessary to determine whether the FCC can implement race-based measures to achieve diversity.⁴ Adarand studies performed by an external, qualified research entity could be performed and used by the Commission if the studies were done in coordination with the agency.
3. The Incentive Auction proceeding has the potential to reinvigorate Designated Entities on the forward auction side, and to support economic growth and preservation of diverse programming on the reverse auction side. To promote program diversity, MMTC and several other organizations have proposed that capital gains taxes be deferred for broadcasters that continue their program streams on other platforms after tendering their spectrum for auction.⁵
4. The decommissioning of the PSTN and buildout of nationwide IP networks should be structured to protect consumers. The transition also presents opportunities to generate growth in minority and women owned business enterprises (“MWBEs”). To ensure MWBE participation, the Commission should take steps to monitor and measure the impact on consumers and MWBEs.
5. Spectrum transactions in the secondary market provide opportunities for entrepreneurship by diverse MWBEs. The model exemplified by Verizon Wireless’ recently proposed sale of 700 MHz spectrum to minority-owned Grain Management is an example of a successful secondary market transaction.⁶ The Commission should highlight the effectiveness of such a model.

Respectfully submitted,

David Honig

David Honig
President

⁴ See *Adarand Constructors, Inc. v. Peña*, 515 U.S. 200 (1995); *Parents Involved in Community Schools v. Seattle School Dist. No. 1*, 551 U.S. 701 (2007).

⁵ See Initial Comments of the Incentive Auction Advocates, Docket 12-268 (January 25, 2013), pp. 9-10, available at <http://mmtconline.org/wp-content/uploads/2013/01/IAA-Incentive-Auctions-Comments-012513.pdf> (last visited March 15, 2013).

⁶ See Verizon Wireless, *Verizon Wireless Announces Spectrum License Transactions* (Jan. 25, 2013), available at <http://news.verizonwireless.com/news/2013/01/verizon-wireless-spectrum-license-transactions.html> (last visited March 15, 2013).